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FISCAL IMPACT STATEMENT

LS 6431

BILL NUMBER: HB 1099

NOTE PREPARED: Nov 24, 2003

BILL AMENDED:

SUBJECT: High school diplomas.

FIRST AUTHOR: Rep. GiaQuinta

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that a veteran of the Korean Conflict or the Vietnam Conflict who left high school without graduating in order to perform military service may receive a high school diploma.

Effective Date: July 1, 2004.

Explanation of State Expenditures: *Summary:* Under the bill, the Department of Education would incur expenditures to produce additional diplomas for Korean and Vietnam Veterans, and the Department of Veterans' Affairs would incur additional administrative responsibility to verify the eligibility of veterans from the Korean and Vietnam conflicts. The fiscal impact to state expenditures is currently indeterminable.

Estimation Issues: Projections from the United States Department of Veterans' Affairs indicate that approximately 225,000 veterans from the Korean and Vietnam conflicts are living in Indiana. Assuming that all officers had a high school diploma and would not be eligible for this program, the number would be reduced. It is estimated that 9,000 officers that served in these conflicts are living in Indiana today. Removing the officers would reduce the number to 216,000. Removing those enlisted veterans that served in Vietnam, Korea, and WW II would reduce the estimate by approximately 1,900 to 214,000.

According to data from the 1970-71 to 1974-75 school years, the average dropout rate for Indiana high school students during this time period was approximately 20.4%. (State dropout data for all years of the Vietnam conflict and the Korean conflict are not available.) Assuming that this rate applies to all Vietnam and Korean War veterans, 44,000 veterans would remain. However, other conditions, including leaving high school to join the Armed Forces of the United States, may not have been met by some of the remaining number of

veterans, which would further reduce the eligible number.

There could be additional veterans living out of state that left an Indiana high school to enter the Vietnam or Korean conflicts that may qualify. There may also be veterans living in Indiana that attended an out-of-state high school.

Diploma Cost: The total cost to produce a veterans diploma under P.L.127-2002 is approximately \$2.79. Since the passage of P.L. 127-2002, the Department of Education and Department of Veterans' Affairs has approved 229 applications, with further approvals pending. Of the 229 approved applications, the Department has awarded 41 diplomas. The total cost for producing 229 diplomas based on the per cost estimate above would be about \$640.

Background: Under P.L.127-2002, World War I and World War II veterans that dropped out of high school in order to enlist in the Armed Forces of the United States are eligible to be awarded an honorary high school diploma.

The Indiana War Memorials Commission reports that approximately 130,400 Hoosiers served in World War I. Approximately 400,000 Hoosiers served in World War II. The number of Hoosiers killed in action (KIA) are as follows: World War I - 3,350; World War II - 13,000.

It is estimated that approximately 89,000 World War I and World War II veterans live in Indiana today. The vast majority of these veterans are from World War II. The percentage of those living veterans that have been awarded a diploma under current law is approximately 0.25%.

Explanation of State Revenues:

Explanation of Local Expenditures: If a school corporation holds a veteran diploma ceremony, the school corporation could incur additional costs, unless the ceremony were held concurrent with other school activities such as commencement. Out of the 229 approved applications for a diploma, school corporations have awarded 188 diplomas to qualifying World War I or World War II veterans.

Explanation of Local Revenues:

State Agencies Affected: Department of Education; Department of Veterans Affairs.

Local Agencies Affected: School corporations.

Information Sources: Steve Meskin, Office of the Actuary, Office of Policy and Planning, U.S. Department of Veterans' Affairs, (202) 273-5062; Terry Spradlin, Indiana Department of Education, (317) 232-6671; Indiana War Memorials Commission.

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